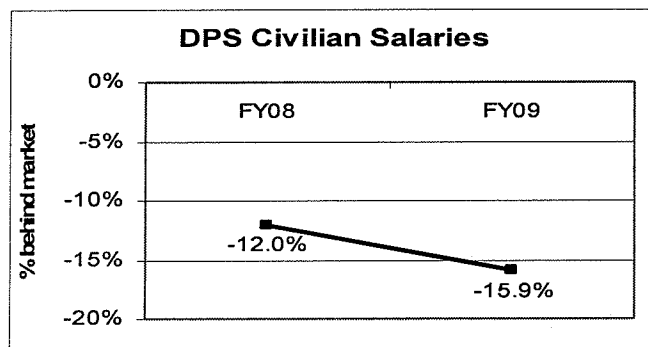


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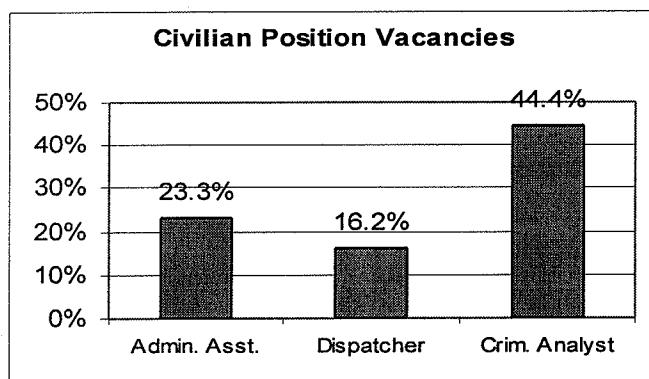


Summary – The following issues represent the Arizona Department of Public Safety's requests for funding adjustments for FY 2009. In total, the Department is requesting an appropriated budget increase of \$30.9 million, or 12.7%. Each budget issue is summarized in this document but additional information on some issues will be provided at a later date.

Civilian Pay Adjustments – Based on an August 2007 survey, the average base salary (excluding performance pay) of a civilian DPS employee is 12.0% behind market. Assuming market growth of 3.5% per year, this figure will rise to 15.9% by the start of FY 2009.



DPS civilians must meet higher standards than many of our market competitors by undergoing background checks, polygraph tests, and drug screenings. With a very tight labor market for sworn employees, the Department is counting on civilians to do more and more; yet, we are unable to attract sufficient numbers of qualified employees. We are currently experiencing some high vacancy levels in important civilian positions.



Furthermore, civilian separations doubled between FY 2006 and FY 2007. In FY 2006, 43 civilian employees left the agency. In FY 2007 the number increased to 86.

In order to fill as many critical civilian positions as possible, the Department requests an increase of \$1,298,300 to fund average salary increases of 2.95%, the same increase requested for our sworn employees.

Sworn Pay Adjustments – Based on an August 2007 survey, the average base salary (excluding performance pay) of a sworn DPS employee is 14.1% behind market (defined as the average of the five highest salaries paid by county and local law enforcement agencies in Arizona). By July 2008, the average sworn DPS salary is projected to be 19.8% behind market. If not addressed, this situation will exacerbate the Department's current challenges with recruitment and retention.

DPS currently ranks no better than 20th in senior officer pay statewide, behind significantly smaller agencies such as the Apache Junction Police Department, the Mohave County Sheriff's Office, and the Sierra Vista Police Department. Among the 15 agencies with over 100 sworn employees, DPS ranks 10th in senior officer pay. Together, the 15 largest agencies represent over 77% of all sworn personnel in the State.

Maximum Officer Salaries of Agencies with over 100 Sworn Employees

Pay Rank	Agency	Salary	# of Sworn
1	Tempe	\$73,000	326
2	Scottsdale	\$69,534	362
3	Peoria	\$69,264	166
4	Mesa	\$68,744	829
5	Chandler	\$66,165	306
6	Gilbert	\$63,783	191
7	Phoenix	\$63,440	2,896
8	Maricopa CSO	\$63,003	736
9	Glendale	\$62,248	370
10	DPS	\$61,773	1,148
11	Tucson	\$60,986	994
12	Yuma	\$58,956	151
13	Yavapai CSO	\$56,012	105
14	Pinal CSO	\$54,932	186
15	Pima CSO	\$53,851	496

Notes: Salary data from August 2007 survey; # of sworn from "Crime in Arizona, 2006."

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The Department requests continued funding of the Executive's multi-year plan to improve DPS sworn salaries. The requested increase of \$3,000,000 would equate to an average pay increase of 2.95%.

Records Management System – Because DPS has never had a central records database, virtually every area in the Department has developed its own system. These unconnected databases force officers and other employees to enter the same information repeatedly and are, therefore, inefficient. More importantly, however, the data is not easily available to employees and other criminal justice personnel that need it. A single, integrated system would allow employees to enter data only once, yet make it available in multiple formats and databases as needed.

In the spring of 2007, the Department hired a consultant to complete a needs assessment for this project. We are expecting the consultant's report by the end of September. Once received, we will consider the options for the development of a records management system (RMS) and develop a Project Investment Justification (PIJ) for review by the Government Information Technology Agency (GITA) and the Information Technology Authorization Committee (ITAC).

Based on preliminary information from the consultant, DPS projects an implementation cost of \$30 million for the RMS. In addition to this, we will need an estimated 13 FTE Positions to implement and maintain the system. Given a multi-year implementation schedule and a minimum 5-year life-span for the system, we recommend the use of lease-purchase financing for the project. The FY 2009 costs are summarized below:

FTE Positions	6.0
1 st Year Operating Costs	\$ 614,000
Annual Lease-Purchase	6,599,300
TOTAL FY 2009 COST	\$ 7,213,300

Interoperable Pilot System Deployment – The Public Safety Communications Commission (PSCC) is charged with designing and constructing a statewide interoperable public safety communications system. The Commission is funded through a special line item within the DPS budget.

Based on the timeline developed by PSCC, the interoperable system is scheduled to be completed around August 2013. The Commission has already completed the conceptual design of the system and anticipates completion of the detailed design in FY 2008 with funding on hand. In addition, an initial test of the concept will be conducted this fiscal year.

For FY 2009, the Commission requests \$4,500,000 to finish testing the identified solution. Long-term funding of the system is expected to be needed beginning in FY 2010. The specific phases of the project described herein are depicted in the following chart.

Public Safety Interoperable Communications System

FY 2007	FY 2008	FY 2009
Conceptual Design Completed	Initial Test of Concept \$2 M/Funded	
	Detailed Design \$2.2 M/Funded	Continued Test of Detailed Design \$4.5 M/Requested

Highway Patrol Staffing – DPS utilizes the Police Allocation Model (PAM) to assess its Highway Patrol staffing needs. PAM shows a current staffing deficit of 198 officers. DPS believes the model, as currently constructed, understates the need for officers because the data is lagged and some fundamental assumptions (e.g., amount of time spent on administrative tasks, areas requiring 24-hour coverage) need to be updated.

Nonetheless, PAM gives a good sense of our officer needs and how they should be deployed across the State. Overall, the Highway Patrol is staffed at 78.5% of the calculated need. Some areas, however, are at less than 65% staffing, including Kingman, Camp Verde/Cordes Junction, and Gila Bend/Buckeye. The Department is requesting 21 officers and 3 sergeants to add a squad (7 officers and 1 sergeant) to each of these locations.

In addition, we are requesting 2 paramedic/officer positions to bring our Air Rescue crews up to full staffing and to provide greater availability of paramedics to our SWAT, HAZMAT, and Explosive Ordinance Disposal (EOD) units.

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Finally, we are requesting 4 support positions (1 photographer, 1 firearms training instructor, 1 administrative assistant, and 1 financial services specialist) to support the new line positions. Without support from these types of employees, officers in the field cannot do their jobs.

Crime Lab Personnel – Overall submissions to the Department’s Scientific Analysis Bureau (crime labs) have increased by 92.4% between FY 1999 and FY 2007. During this time, core appropriated staffing has grown by 44.6%. The growth in submissions has been most pronounced in the Southern Regional Crime Lab (Tucson), where submissions have increased by a staggering 333.4% in eight years. The northern and western labs (Flagstaff and Lake Havasu City) have also seen dramatic growth of 73.9% and 92.3%, respectively. The central lab (Phoenix), with the largest overall volume of work, has seen significant growth of 56.3%.

Submissions by Crime Lab

	FY 1999	FY 2007	% Change
Central	18,432	28,806	56.3%
Southern	3,032	13,142	333.4%
Northern	3,525	6,131	73.9%
Western	2,052	3,947	92.3%
TOTALS	27,041	52,026	92.4%

The Department requests \$1,502,700 and 14 FTE Positions in FY 2009 to address the dramatic growth in submissions. The requested increase in FTE Positions equates to about 9.6% despite the fact that we anticipate submissions will continue to grow at an annual rate of 8.5% or better, putting us even further behind by the end of FY 2009.

The requested positions include 10 criminalists, 1 supervising criminalist, 1 evidence custodian, 1 lab technician, and 1 personal computer support specialist to help maintain the increasing number of computers required to keep crime lab data.

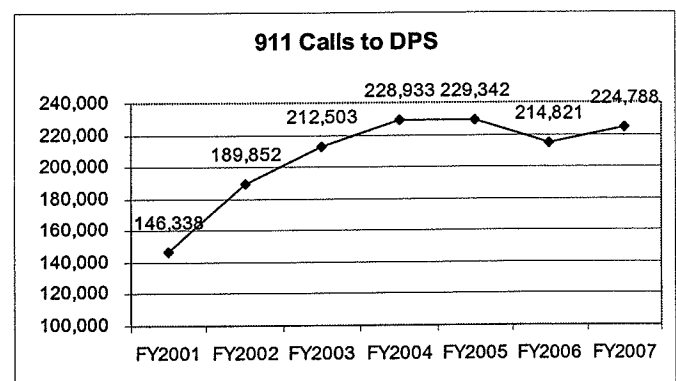
ACTIC Operating Costs – In the wake of the September 11, 2001 terrorist attacks against the United States, the Department and other law enforcement agencies diverted significant resources from their

previous assignments to domestic security issues. Arizona had several links to the September 11th attacks and faces on-going risks associated with the state’s large urban centers, its proximity to an international border, and a history of significant organized crime activity.

In FY 2005, DPS opened the Arizona Counter Terrorism Information Center (ACTIC) to combat threats to domestic security. The center is staffed by personnel from DPS and 43 other federal, state, and local agencies in an effort to improve the sharing of intelligence information. The ACTIC has garnered significant national attention as one of the first state-level intelligence “fusion” centers.

Through FY 2007, federal funding was used to pay for the lease cost of the facility. However, with significant cuts to the State’s homeland security grant funding, we do not expect to have this cost covered by the federal government in FY 2008 and beyond. In addition, the Department has had to cover utility, telecommunications, security, and maintenance costs that are ineligible for federal grants. We request \$1,406,800 in FY 2009 to cover these costs in order to continue to operate this valuable facility. Of this amount, \$980,900 is for the annual lease payment.

Public Safety Call Takers – Historically, DPS dispatchers have both answered telephone calls and handled radio traffic. However, 911 calls have risen to such a level that the Department now requires dedicated call takers. Between FY 2001 and FY 2007, the number of 911 calls increased 53.6%.



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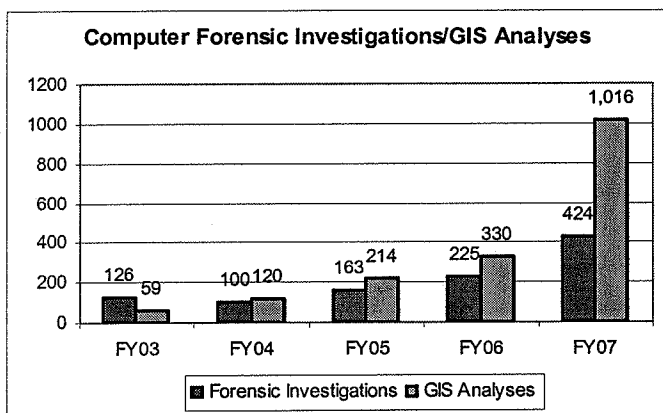


DPS' three dispatch centers are staffed well below what is needed to provide adequate coverage for both radio dispatching and 911 calls. As a secondary answering point for 911, DPS receives transfer calls from other agencies (primary answering points). When DPS is unable to answer 911 calls without delay it causes a burden on the primary answering points and jeopardizes public safety. In FY 2007, 8% of 911 calls to DPS were not answered within the accepted 10 second time frame.

The Department has calculated a need for 36 call taker positions and currently has 8 funded. As part of a 4-year plan to hire 16 additional call takers, we request 4 FTE Positions and \$209,800. In FY 2008, the requested positions were not funded.

GIS/Computer Forensics – The increasing use/availability of electronic data in our society has expanded the need for two types of employees at DPS: 1) computer forensic analysts and 2) Geographical Information Systems (GIS) specialists.

DPS operates two computer forensics labs, one in Phoenix and one in Tucson. In the last two years, the demand for computer forensic investigations has skyrocketed. The number of requests for assistance and the complexity of investigations have grown. In order to address the needs, DPS is requesting 2 civilian computer forensic analysts to assist the sworn officers who currently work in these units.



As with computer investigations, the Department and local law enforcement are relying more and more on the use of GIS information for a multitude of purposes

including search warrants, crime pattern analyses, highway safety analyses, and critical infrastructure protection. We currently have one GIS employee who is unable to keep up with the demand for such services. In order to meet these needs, to ensure the data are accurate, and to deploy Department resources in the most efficient way possible, we are requesting 2 GIS specialists to increase our capabilities in this area.

Officer Pay Plan – This request funds the normal salary progression for 82 Highway Patrol officer positions first authorized in FY 2003 and FY 2006. The officers occupying these positions are scheduled to go from the minimum pay level of \$45,637 to the midpoint pay level of \$54,555 or from the midpoint level to the maximum pay level of \$63,472. All figures include 2.75% in performance pay.

Scheduled Officer Salary Progression

# of Ofcs.	Year Authorized	Min. to Mid.	Mid. to Max.
58	FY 2003		FY 2009
24	FY 2006	FY 2009	

In FY 1994, the Legislature approved and funded a three-step plan for all DPS officers. Since then, the Legislature has provided the necessary funding to move officers in newly funded positions through the range at the required 3-year intervals. Without the additional funding the Department may have to hold positions vacant to cover the salary cost increases.

Telecommunications Costs – In FY 2007, DPS incurred a telecommunications cost deficit of \$704,200. The deficit was composed of two parts, as depicted in the following table:

Item	Cost	Budget	Deficit
AZNET	\$1,551,800	\$1,315,600	\$236,200
ACJIS	743,000	275,000	468,000
TOTAL	\$2,294,800	\$1,590,600	\$704,200

AZNET costs are associated with basic phone and data services provided through the State's Technology Program Office (TPO) at the Department of Administration. The Arizona Criminal Justice

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Information Systems (ACJIS) costs relate to providing criminal history database connectivity to criminal justice agencies throughout the State.

Since going to a digital ACJIS network in FY 2005, the costs of telecommunications have increased significantly. The cost to cover the ACJIS deficit would come from the Criminal Justice Enhancement Fund (CJEF). Pursuant to A.R.S. § 41-2401(D), "operational costs of the criminal justice information system" is one of the expressly permitted uses of the fund.

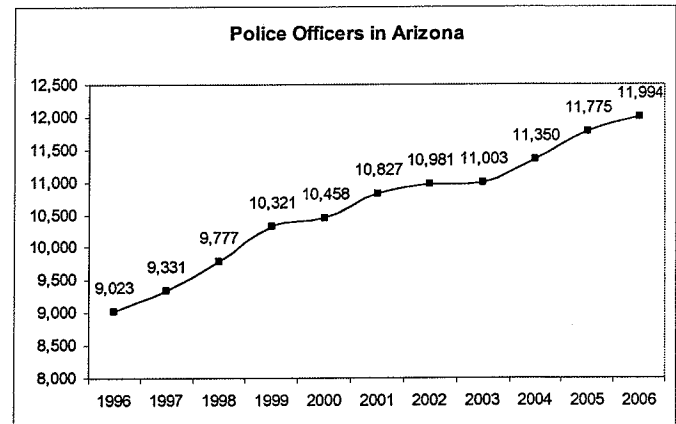
Utility/Rent Cost Increases – For several years, the Department has been able to "hold the line" on energy costs through cost savings efforts and stable energy prices. However, we have largely exhausted our energy savings opportunities and energy prices are on the rise.

In FY 2007, we experienced a utility budget deficit of \$195,100. This is expected to increase to \$400,800 by FY 2009. In addition, due to built-in escalators, we anticipate a cost increase of \$58,700 in private lease costs.

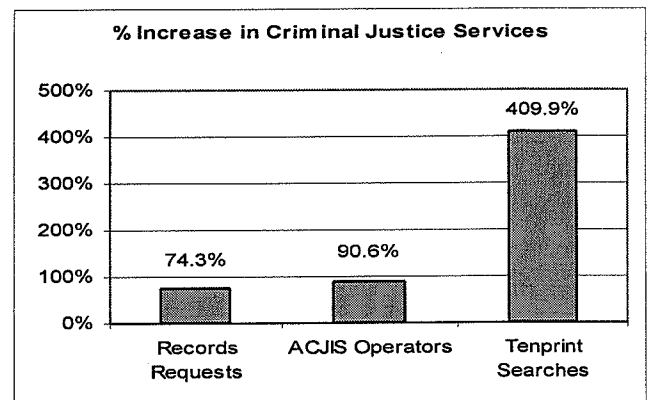
Item	Cost	Budget	Deficit
Electricity	\$1,431,500	\$1,161,000	\$270,500
Gas	219,400	123,000	96,400
Water	111,900	78,000	33,900
Rent	931,300	872,600	58,700
TOTAL	\$2,694,100	\$2,234,600	\$459,500

Criminal Justice Services Personnel – Since its establishment in 1969, one of the Department's primary mandates has been to provide criminal justice information to all law enforcement agencies in the state. As the volume of information has grown, DPS staffing has not kept pace.

One of the primary drivers of the need for support services is the number of police officers in the State. In the last 10 years, the number of officers has grown by 32.9% from 9,023 in 1996 to 11,994 in 2006; yet, staffing for DPS criminal justice support services has grown very little.



During the same time period, the increase in demand for services from the law enforcement community has been even more dramatic. The number of requests for criminal records has increased 74.3% from 1,519,909 to 2,649,577; the number of Arizona Criminal Justice Information System (ACJIS) terminal operators requiring certification has increased 90.68% from 22,090 to 42,103; and the number of ten-print fingerprint searches conducted has increased by a staggering 409.9% from 100,474 to 512,353. All the while, these critical units did not receive any appropriated staffing increases until FY 2008.



As the second year of a 3-year plan to rectify this situation, the Department requests \$518,300 and 8 FTE Positions. The personnel would be deployed as depicted in the following chart.

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Criminal Justice Services Staffing Plan

Criminal History Section	3
Fingerprint Unit	2
Access Integrity Unit	3
TOTAL	8

DPS Support Positions – The Department requests \$321,400 and 3 FTE Positions for a training officer, human resources specialist, and an administrative services officer. The positions would provide essential law enforcement training, records management, and administrative support for new positions acquired in recent years.

Since FY 1998, the Department has received funding for a net increase of 331 new officer positions, 55 new crime lab positions, and over 100 other agency GIITEM positions without adequate support staff. In the absence of proper administrative support, officers and other line employees must spend more time on administrative tasks and their productivity will suffer. The 100 new DPS and 100 new other agency positions acquired for GIITEM in FY 2007 alone easily justify the need for these support positions.

Peace Officer Cancer Insurance Premium – Laws 2007, Chapter 147 requires police employers to pay the annual premium for cancer insurance for all employees who are peace officers. The insurance is provided through the Public Safety Personnel Retirement System (PSPRS) and expands upon an existing program for fire fighters.

For FY 2008, the premium was set at \$100 per employee, and the Department was charged \$119,500. The Department requests funding for this on-going, unfunded mandate.

Criminal Justice Integration – While much progress has been made on the Statewide Integrated Criminal Justice Information System for Arizona, much work remains to be done. As these systems and applications become operational, the ongoing funding and support of these systems has become a funding and management issue as no one agency has extra funding for staffing to support and enhance these new applications.

DPS has been designated as the hub for these statewide integrated systems. Because of this, there is a need for 3 additional FTE Positions for programming staff to maintain and enhance the integrated applications. Additionally, the Department will need to purchase the application development software that was used to develop these applications. To support these costs, the Department requests \$332,600 and 3 FTE Positions.

Dispatch Console Equipment – The central electronics for the consoles in the 3 DPS dispatch centers are over 20 years old. Besides the age of the electronic components, they are not capable of further expansion to control more DPS channels, much less the new AERS (short-term) interoperable radio network, or other agency radio channels that would allow for console cross-patching. There is no back-up system to the central electronics, which means that all three dispatch centers, Phoenix, Tucson, and Flagstaff could all go down simultaneously with a major failure in the Phoenix central electronics package.

Total installation costs are estimated to be \$2,000,000. After installation, on-going maintenance costs are estimated to be \$20,000. DPS has an approved Project Investment Justification (PIJ) for this project.

Mobile Data Computer Replacement Program – In FY 2005, DPS began to deploy a mobile data computer (MDC) system that allows officers to access electronic information directly from their vehicles.

The Legislature initially funded the MDC system as a replacement to an old, mainframe-based Mobile Data Terminal (MDT) system that had a total of 220 units. The Department has been growing the system through a combination of appropriated funding for new positions, the use of safety equipment funding, and grants. Eventually, the goal is for each sworn DPS employee to have an MDC on a statewide basis.

By FY 2009, the units first deployed in FY 2005 will be between 4 and 5 years old. In order to maintain the integrity of the system, we believe it is wise to budget for their replacement at that time. DPS requests a total of \$605,000 to replace half of the first 220 at a unit cost of \$5,500. The funding will only pay for a replacement

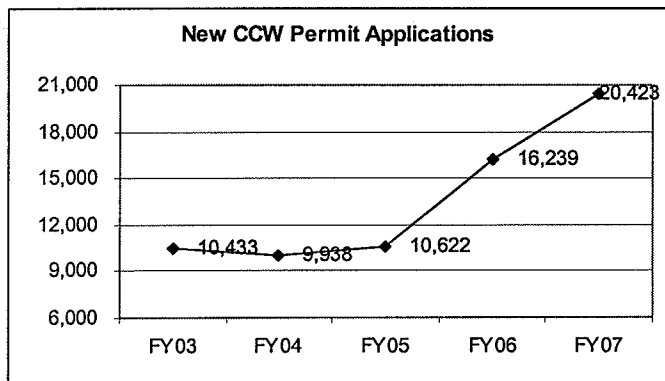
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laptop computer and associated components, not the radio/communications equipment that is part of the MDC unit. The radio components are estimated to have a 10-year useful life.

Continue Chp. 287 Gang Funding & Add FTE Authority – Laws 2007, Chapter 287 provided \$2,000,000 to the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) program. Of this, \$1 Million was to add crime analysts and to expand the use and capabilities of GangNet, the database used by GIITEM. The other \$1 Million was to fund County Attorney Offices to prosecute gang-related cases. DPS requests the continuation of this funding through the General Appropriations Act to address the State's ongoing gang problem. In addition, the Department requests authority for 10 FTE Positions associated with the GangNet funding. These positions were not authorized by the Legislature since the first year's appropriation did not originate from the General Appropriations Act.

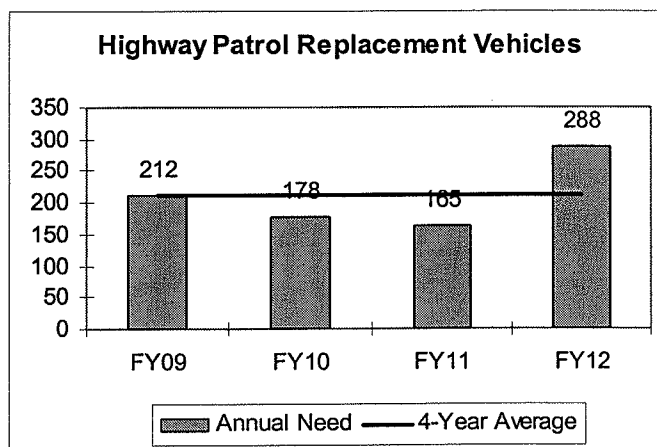
Concealed Carry Weapons Unit Staffing – New applications for concealed carry weapon (CCW) permits have increased 92.3% in the last two fiscal years. It appears this higher workload will be sustained due to CCW law changes, societal trends, and population growth. In order to handle the increased volume, DPS is requesting \$298,600 and 5 FTE Positions. The funding for this request would come from fees paid by applicants and deposited to the Highway Patrol Fund. The Fund has an ample balance of revenues from such fees.



Vehicle Impoundment Hearings – A.R.S. § 28- 3511 requires a peace officer to impound a vehicle for 30 days under certain conditions, such as when the driver is unlicensed. Another party with an ownership interest in the vehicle (e.g., a spouse or business) may petition to have the vehicle released prior to the 30 day period elapsing. Except in the case of a stolen vehicle, upon release of the vehicle at any time, the owner is responsible for all towing and storage costs, and for an administrative fee associated with impounding the vehicle. Under a new provision of the law, administrative fees collected by DPS are deposited to the Highway Patrol Fund.

In FY 2007, DPS impounded 4,111 vehicles under the law and conducted about 1,400 release hearings. However, changes made by Laws 2007, Chapter 278 will likely increase the number of impounds and the administrative costs associated with the program. DPS is requesting \$359,200 and 4 FTE Positions to administer the impound program. We expect to generate more than sufficient revenue to support this request.

Highway Patrol Replacement Vehicles – Based on annual mileage of 20,000 per vehicle, there will be a need to replace 212 Highway Patrol vehicles (each with over 100,000 miles) in FY 2009. At an estimated price of \$39,511 (including build-up, extended warranty, and fire suppression system costs), the current budget of \$6,780,000 would purchase 171 vehicles. DPS is requesting a continuation of the current funding level.



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Safety Equipment – Laws 2005, Chapter 307 established new assessments for persons convicted of operating vehicles, aircraft, and motorized boats while intoxicated. The monies are deposited to the General Fund and are available for appropriation to DPS for the purchase of “protective body armor,” “electronic stun devices,” and “other safety equipment.”

The funding has been invaluable in ensuring that our employees have modern, reliable equipment to protect them and the public. The current expenditure plan for FY 2008 is as follows.

FY 2008 Safety Equipment Expenditure Plan

Item	Estimated Cost
Ballistic Vests	\$ 413,000
Electronic Stun Devices	233,200
Long Rifles	322,800
In-Car Video Cameras	345,000
Training Ammunition	100,000
Helmets, traffic vests, medical equipment, etc.	97,700
Gas Masks	74,500
Mobile Data Computers	1,080,000
Replacement Handguns	167,300
Communications Equipment	166,500
TOTAL	\$3,000,000

The Department requests continued funding of this item at the \$3,000,000 level.

Crime Lab Replacement Equipment – The Scientific Analysis Bureau has approximately \$3,500,000 in sophisticated equipment used to analyze all types of cases from toxicology to DNA to materials analysis such as paint and fibers. In today’s rapidly changing technological environment, this equipment quickly becomes obsolete with repair parts unavailable. The manufacturers of these sophisticated instruments estimate the number of repair parts that will be needed for five years and stock this amount before retooling for the next advanced equipment model. In order to maintain reliable instruments, a five-year schedule for replacement should be maintained – costing approximately \$700,000 per year.

This issue had been funded at less than the required level, generating a backlog of equipment to be replaced. In FY 2008, the appropriation was increased to \$700,000. The Department requests continued funding of this item at its current level.

DNA Testing Expansion – Non-Lapsing Authority – Laws 2007, Chapter 261 expanded the State’s program of collecting DNA samples to include all persons arrested for felony and some misdemeanor crimes. Previously, only persons convicted of felony and some misdemeanor crimes were required to submit samples.

DPS is mandated to analyze the samples and to maintain the DNA profiles in a database available for law enforcement searches. The bill (Chapter 261) increased the surcharge on fines and penalties to pay for the program expansion and appropriated monies in each fiscal year through FY 2012, to include capital improvements.

The Department had requested, and the draft bill originally included, non-lapsing authority in each year in order to accumulate expenditure authority to make the capital improvements. The bill’s final language included non-lapsing authority in only FY 2008. DPS is requesting a modification of the language to make each fiscal year’s appropriation non-lapsing. Without this change, DPS will not be able to accomplish the improvements and fulfill its obligations under the statute.

Radio and Infrastructure Equipment Replacement – The cost to replace currently out-dated radio equipment and infrastructure greatly exceeds the \$667,300 per year being requested; however, we are limited by the availability of monies and competing priorities.

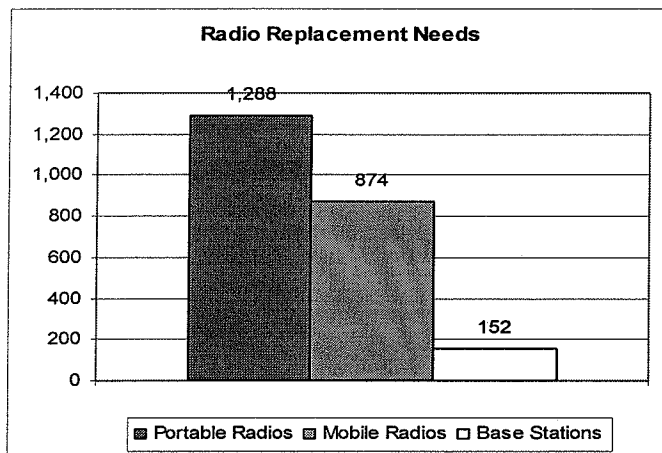
The radio replacement program is based on a useful life of 7 years for a portable (hand-held) radio, 10 years for a mobile (in-car) radio, and 15 years for a base station (tower broadcast device). Other equipment (e.g., generators, towers, equipment sheds, test equipment, utility vehicles, and wiring) is replaced on an as needed basis. In FY 2009, the estimated cost of replacing just portable radios (\$2,850 each), mobile radios (\$3,750 each), and base stations (\$15,000 each) that will reach

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the replacement thresholds is \$8,561,000, after accounting for the expenditure of the FY 2008 appropriation.

Board of Fingerprinting Fund Expenditure Adjustments – This is a technical issue to adjust expenditures to the Board's expenditure plan for FY 2009.



Motor Vehicle Fuel SLI Fund Shift – While the Department has incurred fuel budget shortfalls in recent years, the price of fuel has been falling in recent months. With the weakening U.S. economy, some economic analyses are suggesting the price of fuel will continue to fall before stabilizing. At this juncture, the Department does not have a firm basis for requesting an increase in funding. However, we are requesting a fund shift of \$231,000 between the Motor Vehicle Fuel Special Line Item and the Highway Patrol Program. The shift would exchange Highway Patrol Fund monies for General Fund monies. This simple shift has no overall funding implication but would significantly simplify the internal accounting for this Special Line Item.

Federal Funds Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2009.

Anti-Racketeering Fund Expenditure Adjustments – This is a technical issue to adjust expenditures to expected fund availability in FY 2009.

CJEF Grants Process – In FY 2008, the Department intends to award \$750,000 in grant monies to state and local law enforcement agencies as authorized by A.R.S. § 41-2401. We do not anticipate conducting a grants process in FY 2009.